

# **Report of the MPS Innovation and Improvement Advisory Council**

**December, 2009**

## Advisory Council Background and Charge

The MPS Innovation and Improvement Advisory Council (the Council) was formed in June 2009 by Governor Jim Doyle, Milwaukee Mayor Tom Barrett and State Superintendent of Public Instruction Tony Evers to provide oversight, advice and support of Milwaukee Public Schools. The Council was formed in response to significant concerns about the fiscal and academic performance of MPS.

Fiscal concerns were highlighted by an analysis completed by the McKinsey Consulting Group and summarized in an April 2009 report. Governor Doyle and Mayor Barrett with the support of local foundations commissioned the consultant to study the non-instructional fiscal operations of Milwaukee Public Schools. The report identified opportunities for MPS to realize as much as \$100 million in annual savings in non-instructional operations alone. The report also highlighted concerns with the district's overall performance and project management capacity.

These fiscal concerns were raised amidst a backdrop of unacceptably poor academic outcomes for MPS students. For every two students that graduate from MPS, one drops out. Over 70% of MPS 10<sup>th</sup> graders are not proficient in math and 60% are not proficient in reading. Wisconsin has one of the widest achievement gaps between black and white students in the country. Due to continued failure to meet the goals established by the federal No Child Left Behind Act, MPS has been identified as a District in Need of Improvement, requiring the State Superintendent to implement a Corrective Action Plan for the district. In June of 2009, the level of severity of the district's DIFI status was increased from level three to level four, putting the district in a position to potentially lose significant federal funding.

The Obama administration has provided an opportunity for MPS and other struggling districts to qualify for significant financial support if they are willing to implement bold reforms to improve student outcomes. Through the American Recovery and Reinvestment Act, the federal government has invested an additional \$90 billion to improve educational outcomes. MPS received roughly \$75 million in State stabilization funds and an additional \$90 million in additional federal categorical aids. In addition, there are several competitive grants under ARRA that the State or MPS can apply for, including an estimated \$150-\$250 million that the State could qualify for under the Race to the Top grant.

The Mayor, Governor, and State Superintendent formed the Council to provide support, make recommendations and ensure oversight of MPS in order to respond to McKinsey Report findings, adhere to the Corrective Action Plan, and fully benefit from an unprecedented opportunity to receive federal support to improve academic outcomes. The Council is chaired by Milwaukee Mayor Tom Barrett.

### Council Membership

The Council is comprised of members that bring a diversity of perspective and experience to its work. The members include:

Mayor Tom Barrett, Council Chair

Willie Jude – Principal of Business and Economics Academy of Milwaukee, Inc. (BEAM)

Paul Sweeney - founding partner of PS Capital Partners, LLC

Dr. Joan Prince - Vice Chancellor for Partnerships and Innovation at the University of Wisconsin Milwaukee

Ricardo Diaz - executive director for the United Community Center

Brenda Martinez- lead teacher at Academia de Lenguaje y Bellas Artes, (ALBA School)

Michael Bonds – President of MPS Board of School Directors (resigned from Council on August 13, 2009)

Biographies of each member can be found on the Council website at <http://www.city.milwaukee.gov/educatedcity>.

### Summary of Council Proceedings

The Chair established two committees of the Council to address specific charges. Dr. Joan Prince was appointed to chair the Invest in Success Committee, which focused on identifying recommendations that the Council could submit for consideration by the Governor's office in completing its application for the Race to the Top grant. The Invest in Success Committee analyzed how MPS current practices aligned with the grant criteria and made recommendations for possible reforms to consider in order to increase the State's competitiveness and improve overall academic outcomes in MPS. The report was adopted by the Council on December 3, 2009 and can be found on the Council website.

Paul Sweeney and Michael Bonds were appointed to co-chair the Fiscal Efficiency Committee (Michael Bonds resigned August 13). This committee was charged with

analyzing the district's implementation of the McKinsey Report, specifically the proposed savings of any actions, timeline for implementation, and reasons for not implementing any specific options. The Advisory Council also charged the Fiscal Efficiency Committee with looking at savings beyond the McKinsey report. The Committee report provides a detailed summary of each McKinsey option, the district's response to each and the committee's recommendations for follow up. The executive summary provides an overview of which items the district is implementing fully or partially, those which it is not, and highlights its key recommendations. The Fiscal Efficiency Committee report was adopted by the Council on November 17, 2009 and can be found on the Council website.

In addition, DPI recommended that the Council designate a representative to the MPS Corrective Action Plan committee focused on improving district attendance. Willie Jude was appointed as the Council's designee to that group which continues to work on its plan.

The Council has met on eleven occasions since June 3, 2009. The following organizations and individuals have addressed the Council in that time:

- State Superintendent Tony Evers and other representatives from the Wisconsin Department of Public Instruction
- Milwaukee Public Schools representatives
- Mary Burke, project manager for the McKinsey Report
- Dr. Alan Coulter, Independent Expert on Jamie S. Lawsuit Settlement
- Tom Morgan, MTEA Executive Director
- Members of the public

The Council meetings included presentations and discussion on a variety of topics including:

- School financing in Wisconsin
- The McKinsey Report
- The Corrective Action Plan, the plan that DPI is required to mandate MPS to implement as a result of its DIFI status
- The Jamie S. Lawsuit settlement
- Updates on school reform legislation related to Race to the Top
- MTEA Opportunity Plan
- Council of Great City Schools Report on the MPS human resource operations
- Overview of Community Learning Centers in MPS
- The search for and criteria needed for the next Superintendent of Milwaukee Public Schools

The Council also invited the MPS Superintendent and other staff to provide the district's perspective on the Corrective Action Plan and other recent reform efforts. However, after his resignation from the Council, the School board president issued a directive prohibiting the use of district resources for Council purposes, so district staff opted not to present to the Council. Teachers were allowed to participate on the Council or its Committees after their official school hours.

The Council has taken the following actions as a result of its deliberations:

- Provided the President of the Milwaukee Board of School Directors with their recommendations for what criteria are critical for the next MPS superintendent.
- Adopted goals that should be established for the next Superintendent
- Communicated to MPS their concern about the Council of Great City Schools Report criticisms of the human resource operations and called for the district to take immediate steps to respond to the report's recommendations.

The membership, agendas, minutes, handouts and final reports for the Council and its committees can be found at the Council website.

<http://www.city.milwaukee.gov/educatedcity>

#### Council Recommendations for Reform

Based on the information that has been provided to the Council to date, the findings of its committees, and members' own expertise and experience, the Council has several recommendations that it feels are important to communicate to MPS and its stakeholders. Many of these recommendations are very consistent with ideas from other sources such as the MTEA Opportunity Plan, the DPI Corrective Action Plan, the Council of Great City Schools HR report and some current reform efforts in the district. The Council views the overlap in ideas and recommendations as an encouraging sign that real reform can be accomplished, given the necessary leadership and cooperation.

#### **Fiscal Reforms**

The following are the key recommendations the Council feels are essential in order to ensure that MPS resources are used as efficiently as possible to maximize instructional capacity:

- **MPS should address current employee benefit costs.** Employee benefits costs currently represent approximately 69% of salary. The report lays out several opportunities to maintain high-quality competitive benefits for teachers and still realize over \$40 million in annual savings that could be used to directly support teachers or offset district fiscal challenges. In particular:
  - Encourage employees to choose lower cost plan by incorporating strategies similar to the City or State.

- Go to bid to encourage more competitive rates for the PPO.
  - Consider having MPS employees be part of the City or State benefit plan.
- **MPS should update classification studies.** MPS indicated that employee position classifications and descriptions had not been updated in several years, making it difficult to conduct salary comparability studies.
- **MPS should implement private bus company contract modifications.** The district should act as soon as possible to implement their consultant's changes to the private bus company contracts to improve competition.
- **MPS should be more aggressive in selling buildings.** Specifically the board should revise its policy to remove restrictions on selling schools to choice or charter schools.
- **MPS should address unfunded liability and long term liability related to retiree benefits.** MPS's \$2.6 billion Other Post Employment Benefits (OPEB) is perhaps MPS's most significant fiscal challenge and the district does not currently have a plan to address it. Additional expertise should be brought to this issue with the goal of helping identify:
  - Immediate strategies to curtail the growth in the OPEB liability.
  - Strategies to address the existing liability.
- **The Advisory Council should continue to track MPS progress on addressing the McKinsey recommendations, as appropriate.** MPS did make some key changes in the wake of the McKinsey Report and during the Council's deliberations. It is important to continue to track that progress.
- **Consolidation of non-instructional operations** – The Council recommends that the district explore consolidation of non-instructional operations with another government entity, such as the City, so that MPS can focus on instructional matters. In particular, the following areas of possible consolidation should be considered:
  - Human Resources
  - Purchasing
  - School Library Services
  - Legislative Affairs
  - Audit
  - Grant Development
  - Information Technology
  - Facilities and Maintenance
  - Real Estate
- **Funding for the Milwaukee Parental Choice Program (MPCP)** – While the Mayor has been successful in working with MPS to lobby to mitigate the property tax impact of this program, the Council feels that the funding flaw is still a concern.
- **Consideration of fiscal oversight-** The Council recommends that the district explore independent fiscal oversight models from other large urban school districts.

The Fiscal Efficiency Committee Report includes more detail on these and other fiscal recommendations.

### Academic Reforms

- **Make human capital development a priority.** MPS leadership at the highest levels must make it a priority to identify and implement a human capital management strategy that will recruit, retain and support effective teachers and leaders, as well as work to improve the overall status of the teaching profession. The Human Resource Division should be held accountable by top leadership for achieving the goals outlined in that strategy. An effective human capital management team is critical to implementing any other reforms
- **Revise compensation and evaluation system.** The Council supports creating a revised compensation, evaluation and support structure for teachers that incorporates student growth as one of several factors. The committee lays out several other key criteria that it feels must be part of that revised structure. Many of these components are consistent with the A-Path compensation proposal in MTEA's Opportunity Plan.
- **Turnaround struggling schools.** The Invest in Success Committee report lays out a strategy for turning around struggling schools that includes the following components.
  - Establish an independent, straightforward ranking system for all schools with three easily understood levels.
  - Expand capacity in high-achieving schools by replicating successful models
  - Encourage partnership and collaboration among schools.
  - Identify schools that are failing and implement one of two models:
    - Turnaround the school by changing staff and implementing key reforms, such as extended learning time and offering incentives for highly effective teachers to teach in those schools.
    - Close the school and offer students options in high-performing schools, which should actively recruit those students and receive additional resources to help support the enrollment increase.
- **Ensure a pipeline of quality teachers and leaders to staff schools.** This can be accomplished by increasing collaboration between MPS and existing teacher and principal preparation and alternative certification programs. In addition, consider establishing a teacher residency program specifically targeted at the turnaround schools, similar to the Academy of Urban School Leadership (AUSL) in Chicago.

- **Implement a robust, consistent tool to assess classroom readiness.** Beginning with MPS, the State should implement a consistent, comprehensive tool to assess the readiness of teachers for the classroom, regardless of the program they come from. The PACT assessment in California is one such model, but other models could be considered as well.
- **Expand quality early childhood public school offerings.** MPS should continue to expand quality K-3 and K-4 offerings in MPS and should seek full day funding for four-year old Kindergarten, which may be offset by reduced childcare costs.
- **Partner with community resources in efforts to improve attendance.** As the district continues to work on its attendance plan to submit to DPI, it should partner with other community partners, including but not limited to the Housing Authority's successful program to encourage school attendance.
- **Support the DPI Corrective Action Plan for Milwaukee Public Schools.** The Corrective Action plan includes many critical reforms to increase academic support both within and beyond the school day, to ensure a system of early intervening services, to improve attendance, and to stabilize the curriculum in a district with high mobility. The Council supports the overall plan and encourages MPS to continue to work with DPI to ensure successful implementation.

The Invest in Success Committee Report includes more detail on these and other academic reform recommendations.

### Systemic Reforms

- **Hire a proactive, strong leader and hold him or her accountable for clear outcomes.** The Committee spent considerable time discussing the critical importance of hiring a superintendent with the skills necessary to lead the way to real reform and to establish clear accountability measures to drive that reform. Because the Superintendent must manage a billion dollar operation, present a balanced budget, and navigate board politics, in addition to ensuring that each school has quality educators and curriculum, it is critical that the Superintendent have proven skills in performance management, leadership, communication, consensus building and business acumen. The Council encouraged the district to pursue non-traditional candidates among its finalists and also approved a list of key measures by which the next superintendent should be held accountable.
- **Establish an external research and information entity.** MPS stakeholders should collaborate to implement an entity similar to the Consortium on Chicago School Research and similar models. This entity would provide quality, independent, ongoing research that supports MPS efforts to implement successful school reform. Research findings would be used to educate schools and stakeholders about the effectiveness of reform



initiatives with the goal of facilitating academic improvements. This effort should partner with and expand on existing research strengths in the district and City.

- **Address systemic issues that affect how our children learn and develop.** There are many factors outside the classroom that contribute to our children's overall success. We must establish a coordinated approach to the delivery of healthcare, housing, nutrition, and other social services to our children, parents and families. Our children deserve a system that facilitates the coordination of these services. Without the leadership necessary to change and/or connect these systems, any other reform efforts will fail or at best fall far short of their full potential. The expansion of school nurses and the Housing Authority's program to encourage parental involvement are great examples of how partnerships can work, but we need such models to be the norm and not the exception. In particular, the Council suggests:
  - **Establishing Milwaukee Neighborhood Centers in targeted neighborhoods, with the goal of establishing a "Citywide" Neighborhood Center.** Modeled after the Harlem Children's Zone, neighborhoods with turnaround schools should be targeted to become neighborhood centers. These centers should provide comprehensive and systemic academic, housing, nutrition, healthcare and other key social supports to the children and families in the surrounding neighborhoods. The goal should be that these targeted partnerships and supports become system wide so that Milwaukee eventually is a "Citywide" Neighborhood Center.
- **Improve performance management.** Performance management is critical to MPS and the Committee feels that particular attention should be paid to exploring current efforts in the district and ensuring a solid system is in place or being implemented. Either the Council or a separate working group should be charged with that effort.

#### Next Steps

The Council will continue to meet as deemed necessary by the Chair. This report represents the Council's recommendations as of its December 3, 2009 meeting.